Denbury 6

March 28, 2013

Department of Public Safety & Corrections Office of State Police TESS – Right-to-Know Unit P.O. Box 66168 Baton Rouge, LA 70896

Department of Environmental Quality Office of Environmental Compliance P. O. Box 4312 Baton Rouge, LA 70821-4312 Attention: OEC-SPOC

Richland Parish Emergency Planning Committee C/O Richland Parish OEP, Fourth Floor P. O. Box 668 Rayville, LA 71269

Re: Written Notification

Denbury Onshore, LLC

DFU 125-1 Water Injection Flow Line Spill

S13-25138 T147629 Bradley Osbon AI 186776

This letter will serve as written notification in accordance with R.S. 30:2361 and LAC 33:I.3915.A. The following information pertains to a release of oil and saltwater from the DFU 125-1 six inch water injection flow line in Richland Parish, LA on March 26, 2013.

1. Reporting Party: Mark Walley

HSE Coordinator, Denbury Onshore, LLC

2929 Layfair Dr. Suite 200

Flowood, MS 39232

(601) 718-6200 Office / (601) 502-3911 Cell

State Police Report#: 13-01317

1. The following notifications were made by Mark Walley, HSE Coordinator, Denbury Onshore, LLC:

| Action | <u>Date</u> | Time | Information | |
|-----------------------------------|-------------|------|-------------|--|
| LA State Police | 03/26/13 | 1447 | Tara | |
| Richland Parish Sheriff Office | 03/26/13 | 1452 | Mona | |

The release occurred in the right of way and adjacent land near the Denbury DFU 125-1 water injection well location located in Richland Parish, LA.

Physical Addresses: Spill Coordinates 32° 24′ 48″

91° 33′ 39″

3. Date/Time began: 03/26/13 at 1350 Date/Time stopped: 03/26/13 at 1400

- 4. The Production Foreman was notified by LA DEQ that a land owner had called in a spill on his property. Operations investigated and discovered that the 6" zap lock flow line to the DFU 125-1 saltwater injection well had failed releasing 200 barrels of saltwater into the ROW, adjoining property, and flowing into an unnamed drainage ditch. The released fluids traveled approximately 2.7 miles in the drainage ditch. Containment structures were installed and flushing/removal operations are ongoing at this time. There was 0.5 barrels of crude oil released but contained on land at the leak site.
- 5. Substance(s) Released:
- 1. Saltwater U.N. #N/A
- 2. Crude Oil U.N. #1203

Hazard Rating: Acute Health (1), Fire

(3), Reactivity (0)

Estimated Amount Released:

1. Saltwater – 200 barrels

2. Crude Oil – 0.5 barrels

- 6. Approximately 200 barrels of saltwater were released in the right of way and land adjoining it.
- 7. The release was stopped by shutting down the water injection flow line from Test Site 4.
- 8. The failure of the six inch zap lock flow line connection is under investigation.
- 9. The incident originated from a non-DOT regulated flow line.
- 10. Denbury Onshore, LLC is the current owner and operator of the Delhi Field.
- 11. No public or private groundwater wells used for drinking, stock watering, or irrigation were impacted as a result of the release.
- 12. Please reference Line Item #2 for a listing of all agencies notified.
- 13. Denbury Onshore, LLC is the responsible party. No other responsible parties are involved in this incident.
- 14. Please refer to Line Item #8 for an explanation of the procedures or measures which have or will be adopted to prevent recurrence of the incident or similar incidents.
 - 15. There were no injuries, fatalities, or fires associated with this incident.
 - 16. The saltwater was removed by a vacuum truck and transported to frac tanks at the Delhi EOR Facility for disposal. The area will be flushed with fresh water that will be removed by vacuum truck for disposal at the facility also.

If any additional information is required regarding this incident, please contact me at (601) 502-3911.

Sincerely,

Mark Walley

HSE Coordinator

Denbury Onshore, LLC

Mail Lalles

2929 Layfair Dr. Suite 200

Flowood, MS 39232

(601) 718-6200 Office

(601) 502-3911 Cell

Email: william.walley@denbury.com